

Mismatched Buyer/Provider RFP Outlook Can Slow Deal-making

What may seem like perfectly logical documents to the buyer may be an enigma from hell for the HRO service provider. **By Paul Davies**



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The buyer's RFP is often a source of pride and the result of months of blood, sweat, and tears. Leaving aside the writing of the actual document, consider the collection of the baseline statistics concerning HR costs that no one had bothered collating before, or the agony of convincing each business unit's HR manager that he or she really must include in scope more than just one-quarter of a pay clerk out of a payroll department of 20.

Then there is the brain ache of trying to sort out scope before having to extract the finance bit from the HR bit from the stuff that's generally done in the line. And, just when one thought it was safe to return to the laptop, along comes IT and injects as many third-party systems contracts as they can think of, along with an unhealthy dose of in-flight projects that share the singular characteristic of having been impossible to implement so far.

Finally, after a heap of guesses masquerading as volume metrics and HR performance indicators are thrown in, the RFP emerges. For the lucky ones, it may not be like this, but even those who get an easy ride usually glance adoringly over its pages every now and then.

For the providers, it's a different story. The paragon of logic and completeness that in the eyes of the buyer is the finished RFP is an enigma from hell for providers. So it should not surprise any buyer if the initial responses don't quite get to the point or even miss a couple of points altogether.

Inadequate responses or those that don't conform to the specifications of the RFP should be chucked away along with the lazy people who wrote them.

The problem is that buyers are often awaiting some kind of oracle. HRO is in some quarters talked up to the level—often by providers—as if some buyer teams are literally waiting to be told in response how HRO is going to save their world. Then, the responses arrive, and the Dickensian stack is placed in

binders by cursing admins. At this point, there is an unfortunate convergence of hope and anguish best summarized in the phrase, "it had better be worth it."

Of course, such expectations of salvation are rarely rewarded, and the agony of reading hundreds of self-aggrandizing pages just makes matters worse. Also, inadequate responses or those that don't conform to the specifications of the RFP should be chucked away along with the lazy people who wrote them. Still, responses to RFP are never going to be definitive or boiler-plate free.

Maybe they don't, for example, address the two FTEs worth of HR services in Nicaragua or for another reason that appears too generalized. The fact is that providers regard their initial response as the start of a process. Even the best RFPs are not going to provide enough concrete information to garner definitive solutions, and the danger of guessing is that the buyer will make judgements based on the guesses.

So, the provider tries to display as much capability as possible and address that capability to the buyer's requirements without digging a deep, dark hole or coming across as anemic. The provider should follow the instructions of the RFP and answer any express questions raised by the buyer. All the data presented in the document should be comprehended and specifics addressed.

However, providers are never going to understand the buyer organization, context, and specifics from the RFP and "yellow pad" sessions alone. Typically they rely on the interaction of the sourcing process to develop that specific, tailored, and trophy-winning solution the buyer is expecting. And it isn't until the second or final proposal documents that this takes shape.

The unfortunate news is that a degree of this perplexity is inevitable. Engaging industry advisors who have experience in HRO contracting helps along with the tried and tested sourcing disciplines of the purchasing department. Those who have been there before in systems deployment or maintenance contracts can help. **HRO**